



Community Reinvestment Fund, USA
801 Nicollet Mall, Suite 1700 West
Minneapolis, Minnesota 55402
800 475.3050/612 338.3050 tel
612 338.3236 fax www.crfusa.com

Capital for Communities –
Opportunities for PeopleSM

FOR IMMEDIATE RELEASE

For More Information Contact:
Nina Sims
Virginia Department of Business Assistance
804-371-0371
nina.sims@dba.virginia.gov

Vickie Jones
CRF USA
612-305-2052
vickie@crfusa.com

**Virginia Small Business Financing Authority Partners with Community Reinvestment Fund,
USA to Access Greater Economic Development Capital**

***Organizations to utilize the New Markets Tax Credit program to provide financing to existing
businesses in Virginia's underserved communities***

RICHMOND, Va. — April 24, 2006 — The Virginia Small Business Financing Authority (VSBFA) announced today it is partnering with the Minneapolis-based Community Reinvestment Fund, USA (CRF) to access greater capital for economic development. CRF is a national nonprofit organization that purchases economic development and affordable housing loans and pools them into asset-backed debt securities and New Markets Tax Credit (NMTC) investment funds sold to institutional investors.

VSBFA, a political subdivision of the Commonwealth of Virginia, assists businesses and nonprofit organizations looking to grow in Virginia, as well as local economic development authorities and municipalities needing debt financing to attract businesses into their jurisdictions.

Under terms of the partnership, CRF will purchase community development loans VSBFA makes to qualifying small business owners, providing the VSBFA with the private capital needed to offer more financial assistance to businesses and drive more dollars into disadvantaged communities.

"This new program will enable us to provide long-term financing to existing businesses for real estate and capital equipment — a key element in the growth of Virginia businesses," said Patrick O. Gottschalk, Secretary of Commerce and Trade for the Commonwealth of Virginia. "This program will enhance business opportunities for communities in economically distressed areas throughout the Commonwealth."

In addition to employing CRF's traditional business loan program, VSBFA and CRF will utilize the NMTC program to provide financing to eligible small business owners in targeted geographic areas, including some of the most underserved communities throughout the Commonwealth. NMTC is a first-of-its-kind federal tax credit aimed at stimulating private investment in the lowest income communities across the nation. By making an investment in an eligible "community development entity," such as CRF, investors can receive tax



credits worth more than 30 percent of the amount invested. CRF has received more than \$400 million in NMTCs — the largest allocation in the country.

“This important and exciting partnership with VSBFA will enable both of our organizations to further support our missions of driving economic development initiatives,” said Frank Altman, president and chief executive officer for CRF. “We partner with community development lenders nationwide to deliver private capital to small businesses in economically disadvantaged areas, and we view each partnership as an opportunity to make a difference in people’s lives by creating jobs and strengthening the economic vitality of their communities.”

About Virginia Small Business Financing Authority

The Virginia Small Business Financing Authority’s mission is to promote Virginia businesses by increasing access to capital through the creative application of public and private financing, thereby maximizing employment opportunities and investment throughout the Commonwealth.

Working through the Virginia Department of Business Assistance, the VSBFA serves as a statewide conduit issuer of industrial development bonds and provides financial assistance to Virginia businesses for the promotion of economic development in the Commonwealth. The VSBFA works with businesses, bankers, other state agencies, and economic developers across the state in providing direct funding and credit enhancements through a variety of financing programs for the benefit of eligible new and expanding businesses.

About CRF

Community Reinvestment Fund, USA, a Minneapolis-based nonprofit organization, is the nation’s leader in bringing capital to public and private nonprofit community development lenders through the secondary market for loans. Formed in 1988, CRF has injected hundreds of millions of dollars into low-income and economically disadvantaged communities around the country to help stimulate job creation and economic development, provide affordable housing and support community facilities.

###